

Calculation Rules for Equity Indices of China Securities Index Company Limited

V1.1

July 2024

Version Number	Change Time	Change Scope
1.0	2023-12	Creation of “Calculation Rules for Equity Indices of China Securities Index Company Limited”.
1.1	2024-7	1. Adjust part of expression in the chapters of "Index Calculation Formula", "Divisor Adjustment Formula", and "Situations Requiring Divisor Adjustment". 2. Minor adjustments to other parts.

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1. Introduction

The “Calculation Rules for Equity Indices of China Securities Index Company Limited” (hereinafter referred to as “Calculation Rules”) aims to explain the rules followed by China Securities Index Company Limited (hereinafter referred to as “CSI”) in calculating equity indices, mainly including index calculation and index divisor adjustments.

The “Calculation Rules” is in principle applicable to the domestic and overseas equity indices managed by CSI. When there are other instructions on the calculation rules in the index methodology, the rules stated in the index methodology shall prevail. For other special circumstances not covered by the “Calculation Rules”, CSI will determine the appropriate treatment methods according to the “Statement of Principles for Index Methodology and Management of China Securities Index Company Limited”.

2. Index Calculation

Index calculation includes both closing calculation and real-time calculation. Index calculation is based on the trading data and fundamental information. All the data are objectively available or can be obtained through arms-length transactions.

2.1 Index Real-time and Closing Calculation

For index real-time calculation, the real-time trading prices of constituents come from stock exchange trading systems such as the Shanghai Stock Exchange, the Shenzhen Stock Exchange, or from data providers designated by CSI from time to time.

The general practice is to calculate the index using real-time quotes published by the stock exchanges during trading hours (using the opening reference price provided by the trading system if there's no transaction or the opening reference price maintained by CSI), and release it in real time. The calculation price (X) of each constituent is determined based on the following principles:

If there is no transaction on the day, then X = opening reference price

If there is a transaction on the day, then X = latest transaction price

The closing calculation of the index comes from the trading quote systems of the Shanghai Stock Exchange, Shenzhen Stock Exchange, or other exchanges, or from the trading quotes provided by data suppliers designated by the China Securities Index from time to time.

When abnormal situations occur in the exchange's quotation system or with the data supplier, or

when trading is suspended, CSI will determine the appropriate treatment methods depending on the situation.

2.2 Price Index, Total Return Index and Net Return Index

The price index is calculated based on the market price of the constituents. CSI calculates total return indices and net total return indices for some CSI indices to satisfy investors' needs.

The total return indices and net total return indices are derived indices from the price index. Their difference with the price index is that the calculation of total return index and net total return index takes the reinvestment income of constituents' before-tax and after-tax cash dividends into consideration. When the constituent company distributes cash dividends, the total return index and net total return index shall not fall naturally, which enables investors to measure index performance from different aspects. The tax rate for cash dividends in Shanghai, Shenzhen, Beijing, and Hong Kong securities is generally set at 10%.

2.3 Index Calculation Formula

In principle, index is calculated according to the Paasche weighted composite price index formula. The calculation methods are divided into divisor method and chain method.

Generally, the calculation formula for divisor method is as follows:

$$\text{Index}_t = \frac{\text{Index adjusted Market Cap}_t}{\text{Divisor}_t} \times \text{Base Value}$$

In which,

$$\text{Index Adjusted Market Cap}_t =$$

$$\sum_i (\text{Constituent Price}_{i,t} \times \text{Adjusted Shares}_{i,t} \times \text{Weight factor}_{i,t} \times \text{Exchange Rate}_{i,t})$$

When there occur changes of the index constituent or the share structure, or constituents' market value changes due to non-trading reasons, the Divisor Adjustment Methodology is used to adjust the original divisor to ensure the continuity of the index. For further details, please see Chapter 3 of "Index Divisor Adjustment".

Generally, the calculation formula for chain method is as follows:

$$\text{Index}_t = \text{Index}_{t-1} \times$$

$$\frac{\sum_i (\text{Constituent Price}_{i,t} \times \text{Adjusted Shares}_{i,t} \times \text{Weight Factor}_{i,t} \times \text{Exchange Rate}_{i,t})}{\sum_i (\text{Adjusted Constituent Price}_{i,t-1} \times \text{Adjusted Shares}_{i,t} \times \text{Weight Factor}_{i,t} \times \text{Exchange Rate}_{i,t-1})}$$

T represents any trading day, t-1 represents the previous trading day of t. For the price index, the

Adjusted Constituent Price is the ex-right price. For the total return index, the Adjusted Constituent Price is the ex-right and ex-dividend price. For the net total return index, the Adjusted Constituent Price is the net ex-right and ex-dividend price. If no ex rights or ex dividend events occur in the constituent, the ex-right price, ex-right and ex-dividend price, and net ex-right and ex-dividend price are equal to the closing price.

Adjusted Shares is obtained by adjusting total number of shares of constituents using category-weighted method. Hence, the calculation of adjusted shares of constituents depends on free float and category-weighted method. Detailed contents of free float and category-weighted method could be found in the "Free Float Rules for Equity Indices of China Securities Index Company Limited". The adjusted free float market cap is calculated by multiplying the security price and adjusted shares. If there are other instructions on adjusted market cap or adjusted shares in the index methodology, the rules in the index methodology shall prevail.

The weight factor is between 0 and 1, which is calculated from the ratio of the weight to the adjusted free float market value. Unless specified, the weight factor and exchange rate are both 1. If there are other instructions on the calculation formula in the index methodology, the rules in the index methodology shall prevail.

If the index is weighted by free float adjusted market cap and the weight of each constituent is capped at X, the weight of the constituent whose initial weight exceeds X is adjusted to X, and the remaining constituents are allocated the remaining weight according to the free float adjusted market cap ratio. If the weight of remaining constituents exceeds X, then repeat the above steps.

In the situation that the index is weighted by free float market cap, the weight of each constituent is capped at X, and the total weight of top N constituents is capped at Y. If the weight of top N constituents does not exceed Y, the weight restriction is referred to X for each constituent. Otherwise, the total weight of the top N constituents is set to Y, and the weights of the top N constituents are allocated according to the adjusted free float market cap ratio. The weight of the constituent with weights exceeding X after the distribution are adjusted to X, and the top N constituents are distributed the remaining weight based on the free float adjusted market cap. If there are still constituent weights that exceed X after reallocation, repeat the above steps. The total weight of constituents other than the top N is 100%-Y, and the weights are allocated according to the free float adjusted market cap ratio, and the weight of the constituent is capped at the weight of the Nth largest constituent.

2.4 Exchange Rates for Index Calculation

Unless otherwise stated, exchange rate refers to the exchange rate sourced from the data providers as designated by CSI from time to time. The real-time exchange rate is generally used to

calculate the real-time index; the exchange rate at index closing time or the designated time is used to calculate the closing index.

The exchange rate of RMB in index calculation will normally use on shore exchange rate (CNY). If other exchange rate of RMB is used in index calculation, such as CNH, CSI will mark this in the index methodology. The prices of B shares in the constituents of the SSE Composite Index (000001) and the SSE Sector Indices (000004-000008) are converted into CNY using the applicable exchange rate (USD/CNY Central Parity Rate on the last trading day of each week published by China Foreign Exchange Trade System).

2.5 Index Publication Frequency

Real-time index calculation and publication: The update frequency of the index is determined by the specifications of the INDEXPRESS, exchanges, or other third-party market data publishing systems.

Closing index calculation and publication: The index is published daily on each trading day.

3. Index Divisor Adjustment

To ensure the continuity of the index, when there occur changes of the index constituent or the share structure, or constituents' market value changes due to non-trading reasons, the index will adjust the original divisor using the Divisor Adjustment Methodology after the close on the previous trading day of the effective date.

3.1 Divisor Adjustment Formula

$$\text{Divisor}_t = \frac{\text{Index Adjusted Market Cap After Adjustment}_{t-1}}{\text{Index Adjusted Market Cap}_{t-1}} \times \text{Divisor}_{t-1}$$

Within this formula,

$$\text{Index Adjusted Market Cap After Adjustment}_{t-1} =$$

$$\sum_i (\text{Adjusted Constituent Price}_{i, t-1} \times \text{Adjusted Shares}_{i,t} \times \text{Weight Factor}_{i, t} \times \text{Exchange Rate}_{i, t-1})$$

For the price index, the Adjusted Constituent Price is the ex-right price. For the total return index, the Adjusted Constituent Price is the ex-right and ex-dividend price. For the net total return index, the Adjusted Constituent Price is the net ex-right and ex-dividend price. If no ex rights or ex dividend events occur in the constituent, the ex-right price, ex-right and ex-dividend price, and net ex-right and ex-dividend price are equal to the closing price. The divisor for day t derived

from this formula shall be used for the future index calculation. Examples are illustrated in Appendix A.

3.2 Situations Requiring Divisor Adjustment

3.2.1 Corporate Events that may Affect the Price of Constituents

When any constituent goes ex-dividend, the divisor of the price index is not adjusted and the price index's natural fall shall not be interfered. The divisors of the total return index and net return index shall be adjusted after the closing of the trading day before the ex-dividend day.

When any constituent goes stock dividend, rights issue, stock split or stock consolidation, the divisors of the price index, total return index, and net return index shall be adjusted after the closing of the trading day before the ex-right day.

3.2.2 Other Corporate Events that Affect the Number of Shares of Constituents

In the situation that the accumulated change in the total number of shares of constituents due to other corporate events (e.g. secondary offering, debt-to-equity swap and exercise of warrants) reaches or exceeds 5%, the index divisor is subject to temporary adjustment and shall be adjusted after the close of the trading day before the effective date of change of the number of shares of the index constituents.

Where the accumulated change in the total number of shares of constituents due to other corporate events is less than 5%, it is adjusted periodically semi-annually. The adjustment takes effect on the trading day of the second Friday of June and December each year, and the index divisor shall be adjusted after the close of the trading day before the effective date of the periodical adjustment.

3.2.3 Constituents adjustment

When there's a periodical or temporary adjustment in the index constituents, the index divisor shall be adjusted after the close of the trading day before the effective date of the periodical adjustment.

Appendix A: Examples of Price Index Calculation

If 3 securities are selected as constituent securities, the base period is using the adjusted total market cap of 3 securities on base date. The base value is 1000 points.

✓ **No adjustment is required. Index is calculated as usual.**

Base Day

Security	Total Shares ¹	Negotiable Shares	Negotiable Shares Ratio	Inclusion Factor	Adjusted Shares	Weight Factor	Exchange Rate	Closing Price (Yuan)	Adjusted Market Cap (Yuan)
A	100,000	9,000	9%	9%	9,000	1	1	5	45,000
B	8,000	3,500	44%	50%	4,000	1	1	9	36,000
C	5,000	4,100	82%	100%	5,000	1	1	20	100,000
Index Adjusted Market Cap									181,000

Index Calculation

Index Adjusted Market Cap (Yuan)	Divisor	Base Value	Closing Index
(1)	(2)	(3)	(3) * (1) / (2)
181,000	181,000	1000	1000

Day 1

Security	Total Shares	Negotiable Shares	Negotiable Shares Ratio	Inclusion Factor	Adjusted Shares	Weight Factor	Exchange Rate	Closing Price (Yuan)	Adjusted Market Cap (Yuan)
A	100,000	9,000	9%	9%	9,000	1	1	5.1	45,900
B	8,000	3,500	44%	50%	4,000	1	1	9.05	36,200
C	5,000	4,100	82%	100%	5,000	1	1	19	95,000
Index Adjusted Market Cap									177,100

Index Calculation

Index Adjusted Market Cap (Yuan)	Divisor	Base Value	Closing Index
(1)	(2)	(3)	(3) * (1) / (2)
177,100	181,000	1000	978.45

¹ "Total Shares" refers to "Total Number of Shares in Issue", similarly hereinafter.

✓ **No index adjustment is required for dividend payment.**

Suppose Security B distributes cash dividend: 0.50 yuan/share. The next day is ex-dividend day.

No adjustment is required.

Day 2

Security	Total Shares	Negotiable Shares	Negotiable Shares Ratio	Inclusion Factor	Adjusted Shares	Weight Factor	Exchange Rate	Closing Price (Yuan)	Adjusted Market Cap (Yuan)
A	100,000	9,000	9%	9%	9,000	1	1	5.05	45,450
B	8,000	3,500	44%	50%	4,000	1	1	9.1	36,400
C	5,000	4,100	82%	100%	5,000	1	1	19.2	96,000
Index Adjusted Market Cap									177,850

Index Calculation

Index Adjusted Market Cap (Yuan)	Divisor	Base Value	Closing Index
(1)	(2)	(3)	(3) * (1) / (2)
177,850	181,000	1000	982.60

✓ **Bonus issue, rights issue**

Security B is to be traded ex-bonus for all shareholders at the ratio of 10 for 10 and the next day is ex-right day. Security C is to be traded ex-right for all shareholders at the ratio of 3 for 10 at 18 yuan/share and it is to be suspended from trading the next day.

Ex-right price for Security B is $9.1/(1+1)=4.55$ yuan. Index adjustment is required.

Index Divisor Adjustment

Security	Total Shares after Adjustment	Negotiable Shares after Adjustment	Negotiable Shares Ratio after Adjustment	Inclusion Factor after Adjustment	Adjusted Shares	Weight Factor	Exchange Rate	Ex-right Price/Closing Price (Yuan)	Adjusted Market Cap after Adjustment (Yuan)
A	100,000	9,000	9%	9%	9,000	1	1	5.05	45,450
B	16,000	7,000	44%	50%	8,000	1	1	4.55	36,400
C	5,000	4,100	82%	100%	5,000	1	1	19.2	96,000
Index Adjusted Market Cap									177,850

Index Adjusted Market Cap before Adjustment	Index Adjusted Market Cap after Adjustment	Old Divisor	New Divisor
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(Yuan)	(Yuan)		
(1)	(2)	(3)	(3) * (2) / (1)
177,850	177,850	181,000	181,000

Day 3

Security	Total Shares	Negotiable Shares	Negotiable Shares Ratio	Inclusion Factor	Adjusted Shares	Weight Factor	Exchange Rate	Closing Price (Yuan)	Adjusted Market Cap (Yuan)
A	100,000	9,000	9%	9%	9,000	1	1	4.9	44,100
B	16,000	7,000	44%	50%	8,000	1	1	4.5	36,000
C	5,000	4,100	82%	100%	5,000	1	1	19.2	96,000
Index Adjusted Market Cap									176,100

Index Calculation

Index Adjusted Market Cap (Yuan)	Divisor	Base Value	Closing Index
(1)	(2)	(3)	(3) * (1) / (2)
176,100	181,000	1000	972.93

✓ Rights issue

Security A is going to issue 1000 shares on the next day. Because the accumulated shares change of Security A account for only 1%, it is unnecessary to adjust the index immediately. Security B is going to be suspended from trading the next day. The rights offering of Security C succeeds. Security C is to resume trading the next day which is also the ex-right date of Security C. Ex-right price for Security C is $(19.2 + 18 \times 0.3) / (1 + 0.3) = 18.923$ yuan.

Index Divisor Adjustment

Security	Total Shares after Adjustment	Negotiable Shares after Adjustment	Negotiable Shares Ratio after Adjustment	Inclusion Factor after Adjustment	Adjusted Shares	Weight Factor	Exchange Rate	Ex-right Price/Closing Price (Yuan)	Adjusted Market Cap after Adjustment (Yuan)
A	100,000	9,000	9%	9%	9,000	1	1	4.9	44,100
B	16,000	7,000	44%	50%	8,000	1	1	4.5	36,000
C	6,500	5,330	82%	100%	6,500	1	1	18.923	123,000
Index Adjusted Market Cap									203,100

Index Adjusted Market	Index Adjusted Market Cap	Old Divisor	New Divisor
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Cap before Adjustment (Yuan)	after Adjustment (Yuan)		
(1)	(2)	(3)	(3) * (2) / (1)
176,100	203,100	181,000	208,751

Day 4

Security	Total Shares	Negotiable Shares	Negotiable Shares Ratio	Inclusion Factor	Adjusted Shares	Weight Factor	Exchange Rate	Closing Price (Yuan)	Adjusted Market Cap (Yuan)
A	100,000	9,000	9%	9%	9,000	1	1	4.8	43,200
B	16,000	7,000	44%	50%	8,000	1	1	4.5	36,000
C	6,500	5,330	82%	100%	6,500	1	1	19.1	124,150
Index Adjusted Market Cap									203,350

Index Calculation

Index Adjusted Market Cap (Yuan)	Divisor	Base Value	Closing Index
(1)	(2)	(3)	(3) * (1) / (2)
203,350	208,751	1000	974.13

✓ Secondary offering

Security A is going to issue 7000 shares on the next day. Because the accumulated shares change of Security A are 1000+7000=8000 shares which account for 8%, it is necessary to adjust the index immediately. Security B is to resume trading on the next day.

Index Divisor Adjustment

Security	Total Shares after Adjustment	Negotiable Shares after Adjustment	Negotiable Shares Ratio after Adjustment	Inclusion Factor after Adjustment	Adjusted Shares	Weight Factor	Exchange Rate	Ex-right Price/Closing Price (Yuan)	Adjusted Market Cap after Adjustment (Yuan)
A	108,000	17,000	16%	20%	21,600	1	1	4.8	103,680
B	16,000	7,000	44%	50%	8,000	1	1	4.5	36,000
C	6,500	5,330	82%	100%	6,500	1	1	19.1	124,150
Index Adjusted Market Cap									263,830

Index Adjusted Market Cap before Adjustment (Yuan)	Index Adjusted Market Cap after Adjustment (Yuan)	Old Divisor	New Divisor
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(1)	(2)	(3)	(3) * (2) / (1)
203,350	263,830	208,751	270,837

Day 5

Security	Total Shares	Negotiable Shares	Negotiable Shares Ratio	Inclusion Factor	Adjusted Shares	Weight Factor	Exchange Rate	Closing Price (Yuan)	Adjusted Market Cap (Yuan)
A	108,000	17,000	16%	20%	21,600	1	1	4.85	104,760
B	16,000	7,000	44%	50%	8,000	1	1	4.6	36,800
C	6,500	5,330	82%	100%	6,500	1	1	19.1	124,150
Index Adjusted Market Cap									265,710

Index Calculation

Index Adjusted Market Cap (Yuan)	Divisor	Base Value	Closing Index
(1)	(2)	(3)	(3) * (1) / (2)
265,710	270,837	1000	981.07

Day 6

Security	Total Shares	Negotiable Shares	Negotiable Shares Ratio	Inclusion Factor	Adjusted Shares	Weight Factor	Exchange Rate	Closing Price (Yuan)	Adjusted Market Cap (Yuan)
A	108,000	17,000	16%	20%	21,600	1	1	4.8	103,680
B	16,000	7,000	44%	50%	8,000	1	1	4.65	37,200
C	6,500	5,330	82%	100%	6,500	1	1	19.5	126,750
Index Adjusted Market Cap									267,630

Index Calculation

Index Adjusted Market Cap (Yuan)	Divisor	Base Value	Closing Index
(1)	(2)	(3)	(3) * (1) / (2)
267,630	270,837	1000	988.16

Security C announces share changes and listing of right offerings: The total shares increases to 6470 and negotiable shares to 5300. Because the accumulated shares change of Security C are 30 shares which account for 0.5%, it is unnecessary to adjust the index immediately. The next day is the listing date of the right offerings.

Day 7

Security	Total	Negotiable	Negotiable	Inclusion	Adjusted	Weight	Exchange	Closing Price	Adjusted
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ity	Shares	Shares	Shares Ratio	Factor	Shares	Factor	Rate	(Yuan)	Market Cap (Yuan)
A	108,000	17,000	16%	20%	21,600	1	1	4.9	105,840
B	16,000	7,000	44%	50%	8,000	1	1	4.6	36,800
C	6,500	5,330	82%	100%	6,500	1	1	19.6	127,400
Index Adjusted Market Cap									270,040

Index Calculation

Index Adjusted Market Cap (Yuan)	Divisor	Base Value	Closing Index
(1)	(2)	(3)	(3) * (1) / (2)
270,040	270,837	1000	997.06

✓ Constituents adjustment

Security B is merged by Security C, Security B is to be delisted the next day. Security D is the highest-ranking security on the reserve list.

Index Divisor Adjustment

Secur ity	Total Shares after Adjustm ent	Negotiable Shares after Adjustment	Negotiable Shares Ratio after Adjustment	Inclusion Factor after Adjustm ent	Adjusted Shares	Weight Factor	Exchange Rate	Ex-right Price/Closing Price (Yuan)	Adjusted Market Cap after Adjustment (Yuan)
A	108,000	17,000	16%	20%	21,600	1	1	4.9	105,840
C	6,500	5,330	82%	100%	6,500	1	1	19.6	127,400
D	8,000	6,000	75%	80%	6,400	1	0.7	13	58,240
Index Adjusted Market Cap									291,480

Index Adjusted Market Cap before Adjustment (Yuan)	Index Adjusted Market Cap after Adjustment (Yuan)	Old Divisor	New Divisor
(1)	(2)	(3)	(3) * (2) / (1)
270,040	291,480	270,837	292,340

Day 8

Secur ity	Total Shares	Negotiable Shares	Negotiable Shares Ratio	Inclusion Factor	Adjusted Shares	Weight Factor	Exchange Rate	Closing Price (Yuan)	Adjusted Market Cap (Yuan)
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A	108,000	17,000	16%	20%	21,600	1	1	5.1	110,160
C	6,500	5,330	82%	100%	6,500	1	1	20	130,000
D	8,000	6,000	75%	80%	6,400	1	0.95	10	60,800
Index Adjusted Market Cap									300,960

Index Calculation

Index Adjusted Market Cap (Yuan)	Divisor	Base Value	Closing Index
(1)	(2)	(3)	(3) * (1) / (2)
300,960	292,340	1000	1029.49

✓ Dividend Payment and Bonus Issue

Security C distributes cash dividend ¥1/share, and is to be traded ex-bonus for all shareholders at the ratio of 10 for 10. The next day is ex-right day.

Index Divisor Adjustment

Security	Total Shares after Adjustment	Negotiable Shares after Adjustment	Negotiable Shares Ratio after Adjustment	Inclusion Factor after Adjustment	Adjusted Shares	Weight Factor	Exchange Rate	Ex-right Price/Closing Price (Yuan)	Adjusted Market Cap after Adjustment (Yuan)
A	108,000	17,000	16%	20%	21,600	1	1	5.1	110,160
C	13,000	10,660	82%	100%	13,000	1	1	10	130,000
D	8,000	6,000	75%	80%	6,400	1	0.95	10	60,800
Index Adjusted Market Cap									300,960

Index Adjusted Market Cap before Adjustment (Yuan)	Index Adjusted Market Cap after Adjustment (Yuan)	Old Divisor	New Divisor
(1)	(2)	(3)	(3) * (2) / (1)
300,960	300,960	292,340	292,340

Day 9

Security	Total Shares	Negotiable Shares	Negotiable Shares Ratio	Inclusion Factor	Adjusted Shares	Weight Factor	Exchange Rate	Closing Price (Yuan)	Adjusted Market Cap (Yuan)
A	108,000	17,000	16%	20%	21,600	1	1	5	108,000
C	13,000	10,660	82%	100%	13,000	1	1	9	117,000

D	8,000	6,000	75%	80%	6,400	1	0.84	12.5	67,200
Index Adjusted Market Cap									292,200

Index Calculation

Index Adjusted Market Cap (Yuan)	Divisor	Base Value	Closing Index
(1)	(2)	(3)	(3) * (1) / (2)
292,200	292,340	1000	999.52

✓ Treatment of Weight Factor Adjustment

The next day is the effective date for the periodical adjustment of the weight factor, and the weight factor for Security A is adjusted from 1 to 0.8.

Index Divisor Adjustment

Security	Total Shares after Adjustment	Negotiable Shares after Adjustment	Negotiable Shares Ratio after Adjustment	Inclusion Factor after Adjustment	Adjusted Shares	Weight Factor	Exchange Rate	Ex-right Price/Closing Price (Yuan)	Adjusted Market Cap after Adjustment (Yuan)
A	108,000	17,000	16%	20%	21,600	0.8	1	5	86,400
C	13,000	10,660	82%	100%	13,000	1	1	9	117,000
D	8,000	6,000	75%	80%	6,400	1	0.84	12.5	67,200
Index Adjusted Market Cap									270,600

Index Adjusted Market Cap before Adjustment (Yuan)	Index Adjusted Market Cap after Adjustment (Yuan)	Old Divisor	New Divisor
(1)	(2)	(3)	(3) * (2) / (1)
292,200	270,600	292,340	270,730

Day 10

Sec urit y	Total Shares	Negotiable Shares	Negotiable Shares Ratio	Inclusion Factor	Adjusted Shares	Weight Factor	Exchang e Rate	Closing Price (Yuan)	Adjusted Market Cap (Yuan)
A	108,000	17,000	16%	20%	21,600	0.8	1	6	103,680
C	13,000	10,660	82%	100%	13,000	1	1	10	130,000
D	8,000	6,000	75%	80%	6,400	1	0.8	12.5	64,000
Index Adjusted Market Cap									297,680

Index Calculation

Index Adjusted Market Cap (Yuan)	Divisor	Base Value	Closing Index
(1)	(2)	(3)	(3) * (1) / (2)
297,680	270,730	1000	1099.55

Appendix B: Glossary of Terms

Key Term	Definition
Base Date of the Index	The date corresponding to the index base level.
Base Value/Level	The initial value of an index. The benchmark value from which ongoing calculations are done and compared to.
Capped Weight	The weight of the constituents shall not exceed the upper limit.
Category-Weighted Method	CSI will grant certain inclusion factor to the security according to the percentage of free float shares in total shares to ensure index stability.
Divisor	A component of the index calculation formula for the divisor method which is used to adjust the index to ensure that the index values remain comparable over time.
Effective Date	The date on which the adjustment is implemented.
Free Float	The outstanding shares available for purchase in the public security markets.
Free Float Ratio	The percentage of free float in the total shares.
Net Total Return Index	The Index takes account of the interests of dividend provided that the post-tax dividend of the security is reinvested in the index on the ex-dividend date.
Price Index	The performance of the index is calculated by the index constituents' market prices.
Reference Open Price	The Reference Open Price for the next trading day adjusted by corporate events, that is, the ex-right and ex-dividend price.
Security	Stocks of listed companies, depositary receipts, and real estate investment trusts (REITs).
Shanghai, Shenzhen, Beijing, and Hong Kong	Refers to the Shanghai Stock Exchange, Shenzhen Stock Exchange, Beijing Stock Exchange, and Hong Kong Stock Exchange and Clearing Limited.
Total Return Index	Total Return Index takes account of the interests of dividend provided that the pre-tax dividend of the security is reinvested in the index on the ex-dividend date.
Weight Factor	The factor used to adjust the initial weight of the constituents to meet the weight requirements.

Appendix C: Summary of Methodology Changes

Adjustment s	Effective Date	Before the Adjustment	After the Adjustment
Creation of Calculation Rules	2023-12	“Equity Indices Calculation and Maintenance Methodology of China Securities Index Company Limited”	The new “Equity Indices Calculation Rules of China Securities Index Company Limited” is established, and the original “Equity Indices Calculation and Maintenance Methodology of China Securities Index Company Limited” is no longer in use.
Adjust part of expression in the chapters of "Index Calculation Formula", "Divisor Adjustment Formula", and "Situations Requiring Divisor Adjustment"	2024-7	3.2.1 Corporate Events that may Affect the Price of Constituents Ex-Dividend: When any constituent goes ex-dividend (dividend payment), the divisor of the price index is not adjusted and the price index's natural fall shall not be interfered. Ex-Right: If the stock dividend, rights issue, stock split or stock consolidation occurs, the index divisor shall be adjusted the day before the ex-right day. Calculation of Adjusted Market Cap is based on new shares and prices.	Adjust the expression of “2.3 Index Calculation Formula”. Adjust “3.1 Divisor Adjustment Formula”. Additional explanation: For the price index, the Adjusted Constituent Price is the ex-right price. For the total return index, the Adjusted Constituent Price is the ex-right and ex-dividend price. For the net total return index, the Adjusted Constituent Price is the net ex-right and ex-dividend price. If no ex rights or ex dividend events occur in the constituent, the ex-right price, ex-right and ex-dividend price, and net ex-right and ex-dividend price are equal to the closing price. Adjust “3.2.1 Corporate Events that may Affect the Price of Constituents”. When any constituent goes ex-dividend, the divisor of the price index is not adjusted and the price index's natural fall shall not be interfered. The divisors of

Adjustment s	Effective Date	Before the Adjustment	After the Adjustment
			the total return index and net return index shall be adjusted after the closing of the trading day before the ex-dividend day. When any constituent goes stock dividend, rights issue, stock split or stock consolidation, the divisors of the price index, total return index, and net return index shall be adjusted after the closing of the trading day before the ex-right day. Minor adjustments to other parts, including "2.2 Price Index, Total Return Index and Net Return Index" and "Appendix B: Glossary of Terms (adjusting the expression of "divisor" and deleting " reference open net price ")".

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